



CAFTA FACTS
U.S. Free Trade Agreements
Have Dramatically Increased the U.S. Trade Deficit:
Supporters Turn a Blind Eye to History

Prepared by the Office of Congressman Sherrod Brown

Supporters of the Central American Free Trade Agreement turn a blind eye to history when they argue CAFTA will lower the massive U.S. trade deficit.

But the U.S. trade deficit has grown from \$39 billion in 1992 to over \$617 billion in 2004. That's a whopping 1,600 percent increase!

Let's look at the nations with which we have FTAs and more than one year of data to look at—Israel, Canada, Mexico, Jordan.

Before our FTA with Israel was enacted 1985, we had a trade surplus of \$447 million. In 2004 we had had a \$5.3 billion deficit. That's a 1,092 percent change for the worse.

Before NAFTA was enacted in 1994, we had just a \$10 billion deficit with Canada. In 2004 we had a \$67 billion deficit. That's a deficit increase of over 500%.

Before NAFTA, we had a \$2 billion trade surplus with Mexico. Last year it rose to \$45 billion. That's an incredible 2,700 percent change that meant lost jobs in America.

We had a \$239 million trade surplus with Jordan before passing an FTA. In 2004 that became a \$541 million deficit—a 326 percent change in the red.

Now, according to the International Trade Commission itself, under CAFTA, imports from Central America would increase more than U.S. exports to the region.

And still, CAFTA supporters defy history, ignore the ITC findings, and turn a blind eye to reality.

Despite all this bad news, the administration keeps negotiating trade agreements that destroy American manufacturing, ship jobs overseas, and burden our nation with mounting foreign debt. They'll say anything to help these multinational companies outsource more American jobs.

The definition of insanity is doing the same thing over and over and expecting different results. It's time for a new direction.